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12<sup>th</sup> January 2015

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Greg Watkinson  
Chief Executive Officer  
Economic Regulation Authority  
PO Box 8469,  
Perth BC WA 6849

Email:[publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

**ATTENTION: Mr Tyson Self**

Dear Mr Self,

**RE: SUBMISSION: ACCESS ARRANGEMENTS FOR THE MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS (DRAFT DECISION).**

We are pleased to make this submission on the Draft Decision on required amendments to the Access Arrangements for the Mid-West and South-West Gas Distribution Systems.

Cossill & Webley Pty Ltd (CW) is a Western Australian consultancy established to provide civil engineering services in the urban development industry and related fields. Our clients include many of the major land developers in Western Australia, both private and public entities. This submission focuses on the provision of gas to new land development projects.

During the development of a subdivision project, ATCO installs reticulated gas mains in common trenches with other utilities. The trenches are supplied by the land developer at their cost. The sharing of trenches with other utilities is a cost effective installation method and has been used in Western Australian land development project for decades. This ensures both electrical and gas services are provided to new lots and premises, providing a choice for customers with regards to the appliances they choose to install within their home. It is our understanding that the majority of residents in greenfields developments request a gas connection to their premises.

The draft decision disallows the investments to enable new greenfield housing and commercial developments to connect to natural gas.

We suggest that the draft decision will compromise the delivery of gas to new Western Australian homes and commercial premises. If ATCO does not install gas into new greenfield developments, we consider the following impacts will be encountered:

- By preventing investment in gas infrastructure in new residential developments, opportunities for consumer choice are removed. Consumers will need to install

electrical appliances rather than having a choice to install gas appliances.

- The cost to install infrastructure in greenfield developments is substantially lower than the cost of retrofitting infrastructure in existing areas. Should it be determined sometime in the future that gas infrastructure should be supplied to an area (whether it be for residential or commercial purposes) then the cost of doing this will be significantly more than installing it as part of a greenfields development. It will also lead to suboptimal utilisation when areas are eventually reticulated with gas as uptake will be contingent upon the staggered replacement of existing appliances.
- The availability of gas to domestic premises can lead to a reduction in the peak load for electricity consumption. Gas covers many of the activities that add to the peak electricity load including heating and cooking. The reduction in the peak load for electricity consumption assists in reducing the peak load that Western Power infrastructure needs to be designed for which should be considered in the efficiency of the overall energy market. The removal of gas infrastructure will lead to greater demands on the electricity network.
- The removal of gas as an option for future residents will reduce competition for electricity providers.
- It is unlikely that another entity, such as the land developer, will install gas infrastructure at their cost.

We recommend a reconsideration of the proposed limitation on investment of gas infrastructure for new customers in greenfield developments and suggest that the existing arrangement continue.

Should you require any clarification on any of the items outlined in this letter, please contact the undersigned.

Yours faithfully  
**COSSILL & WEBLEY Pty Ltd**

**NATHAN BUTSON**  
**Associate**